

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

JUNE 12, 2001

IN RE:

**PETITION OF UNITED CITIES
GAS COMPANY FOR APPROVAL
OF A FRANCHISE AGREEMENT
WITH UNION CITY, TENNESSEE**

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**DOCKET NO.
01-00309**

ORDER APPOINTING A HEARING OFFICER

This matter came before the Tennessee Regulatory Authority (the "Authority") at a regularly scheduled Authority Conference held on May 15, 2001, for appointment of a Hearing Officer in the matter of United Cities Gas Company's Petition for Approval of a Franchise Agreement with Union City, Tennessee.

Tenn. Code Ann. § 65-4-107 requires that any privilege or franchise granted to any public utility by the state of Tennessee or by any political subdivision thereof be approved by the Authority. Such approval is to be granted only after a hearing and upon a determination by the Authority that the privilege or franchise is necessary and proper for the public convenience and properly conserves the public interest.

At the above-referenced Authority Conference, the Directors voted unanimously to appoint the Authority's General Counsel or his designee to act as the Hearing Officer to set a procedural schedule, conduct a hearing and render a decision on the merits of United Cities' Petition. Should the Hearing Officer determine that the issuance or an extension of a Certificate of Public Convenience and Necessity ("CCN") is required, the Hearing

Officer shall issue a recommendation regarding further action for consideration by the Directors.


IT IS THEREFORE ORDERED THAT:

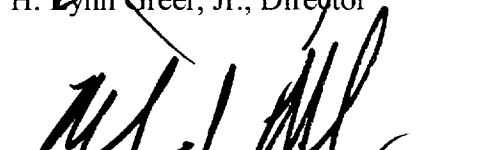
1. The General Counsel or his designee is appointed Hearing Officer in this matter to set a procedural schedule, conduct a hearing and render a decision on the merits of United Cities Gas Company's Petition.

2. Should the Hearing Officer determine that the issuance or an extension of a Certificate of Public Convenience and Necessity ("CCN") is required, the Hearing Officer shall issue a recommendation regarding further action for consideration by the Directors.

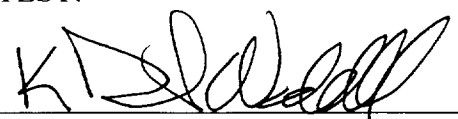
2. Any party aggrieved with the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen (15) days from the date of this Order.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary